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TAGS: [ECON](#) [PGOV](#) [KCOR](#) [KTFN](#) [KWBG](#) [IS](#)
SUBJECT: PA MINISTER ASKS USG TO HELP COMBAT GROWING HAMAS
POPULAR SUPPORT

Classified By: Consul General Jake Walles, Reasons 1.4 (b) and (d).

11. (C) Summary: Minister of Social Affairs and Labor Abu Libdeh told Staffdel Savit on July 28 that the Palestinian Authority (PA) is working to fight terrorism and beat Hamas at its own game by establishing several schemes to protect the vulnerable segments of Palestinian society and "keep youth in Gaza out of trouble." He urged the U.S. to invest in countering Hamas and protecting Palestinian society from fundamentalism. On the topic of corruption, Abu Libdeh conceded that the PA needed to clean up its own act. He said he had initiated changes but his programs were not generating much attention. He acknowledged that the PA was notoriously bad at advertising its good works and asked for U.S. support to improve PA public relations, emphasizing the importance of getting the news of PA reform out to the people. End summary.

PA COMPETES WITH HAMAS TO PROVIDE FOR DISADVANTAGED

12. (C) In a July 28 meeting, Minister of Social Affairs and Labor Hasan Abu Libdeh told Staffdel Savit and Econoffs that he was personally dedicated to strengthening the PA social safety net and to beating Hamas at its own game. Abu Libdeh complained that Hamas leaders project themselves as liberators, providers of the social safety net, and protectors of the poor and needy. Hamas has the resources to target the poor, he said, and, through spending small amounts of money, the faction gains widespread support. Abu Libdeh noted Hamas's announcement that it would sponsor a mass wedding for 450 couples in Nablus at a cost of approximately USD 1500 each and grumbled that Hamas would win tremendous support within the community as a result. He pointed out that, in contrast, the June 22 PA Cabinet decision to spend USD 40 million in Nablus on infrastructure projects and improving internal security had generated little attention.

13. (C) Abu Libdeh referred to several PA programs underway, including unemployment subsidies and a temporary work program, which target the poorest ten percent of the population. Participants qualify by meeting specific conditions, such as keeping their children in school. In addition, he mentioned that the PA's new social safety net program would be launched August 1 with USD 60 million from the Palestine Investment Fund (PIF). He also referred to a disengagement-related program targeting approximately 20,000 youth in Gaza to keep them "out of trouble" by having them go door-to-door in an attempt to convince Gazans not to cause trouble during the Israeli disengagement.

"MR. BUSH MUST COME TO FIGHT TERRORISM HERE IN PALESTINE"

14. (C) Abu Libdeh said that although Hamas membership is relatively small, it is increasing and is now the most dangerous strategic threat to the historically secular nature of the Palestinian people. He asked that the U.S. invest in protecting Palestinian society from fundamentalism. "The country is at a crossroads," he said, adding, "we are a secular society being pushed toward fundamentalism; don't underestimate this." He suggested that the USG and PA together should establish a "replacement fund" of USD 500 million to one billion to support activities that maintain secularism and wipe out Hamas. "We are not getting support from our Arab brothers," he said, and added that unfortunately they were mostly supporting Hamas. "Mr. Bush must come to fight terrorism here in Palestine," he concluded.

CRACKING DOWN ON CORRUPTION - INSIDE AND OUT

15. (C) Abu Libdeh conceded that the PA needed to clean up its own act in terms of corruption, productivity and effectiveness. "We need to operate an effective social safety net and buy out the target audience of Hamas" he said. He stressed that he is personally encouraging people to set up local corruption monitoring teams and has made a deal with the labor unions to offer rewards for catching people who receive government unemployment checks but are employed. In addition, Abu Libdeh noted that he had spent USD 15,000 on a July campaign to publish the names of PA welfare recipients and to establish an anonymous tip line the public could call to report unemployment fraud. Unfortunately, he said, only 100 calls were received. The Palestinians do not have a culture of stakeholding, he conceded, and explained that, although there is definitely corruption within the PA, private Palestinians are also cheating the system. He emphasized that the PA needs a national database and approximately 100 computers to track the distribution of benefits, noting that Hamas pays the people in a "nice, clean, efficient way" and the PA must do the same.

PROBLEMS OF INCENTIVES

16. (C) Lack of resources, unproductive public sector employees and dilapidated infrastructure do nothing to help win the confidence of the people, Abu Libdeh affirmed. He added that even if the state of the facilities and the efficiency of the employees in Ramallah are up to standard, most Palestinians do not see what goes on in Ramallah. He grumbled that the 2,200 employees working in the Ministries of Labor and Social Affairs are working at approximately 30 percent productivity. Going forward, Abu Libdeh stated that he wants to establish a task force of 50 energetic people to work on these issues and urged the USG to push the PA and help with money, access to expertise, and other resources necessary to start making changes.

PUBLIC RELATIONS IS A PRIORITY FOR PEACE AND SURVIVAL

17. (C) Abu Libdeh remarked that the recent cancellation of the cultural festival in Qalqilya by the newly-elected Hamas municipal council was waking up the local population to the social realities of their political choice to put Hamas in charge. He said he had instructed his own Ministry staff to refrain from working with the Qalqilya municipal council and to shift programs away from the municipality, implementing them instead through the governor's office, a PA presidential appointee. Abu Libdeh mentioned he was implementing a major publicity campaign to highlight PA activities and had doubled the benefits going into Qalqilya. Abu Libdeh said the USG should fund an "event management company" (PR firm) to assist the PA in highlighting to Palestinians the dividends that come from the peace process and what the PA has done for them. EconChief noted that USAID had started to work with the PA in this area.

18. (C) In a separate meeting July 28 Minister of Planning Ghassan al-Khatib echoed the importance of PA leadership in combating poverty, pointing out the statistical correlation between increasing poverty and increasing radicalization and highlighting the dire situation the PA will inherit in Gaza following the Israeli withdrawal. According to al-Khatib, one third of Gazans are unemployed and two thirds are living below the poverty line.

19. (U) Staffdel Savit did not/not have the opportunity to clear on this cable.

WALLES